would lower the long-term price of oil is for Congress to permit exploration for the estimated billions upon billions of barrels of oil domestically available, not to mention the estimated trillion-plus barrels of shale oil in Wyoming, Colorado and Utah.'' (Williams, Walter E. ''Scapegoating Speculators.'' The Washington Times 9 July 2008.) http://www.washingtontimes.com/news/2008/jul/10/scapegoating-speculators/

Paul Krugman, New York Times Columnist: ''On any given day, expectations determine the price; but the spot market also has to clear, and the way this happens is that excess supply must be added to physical stocks. Even with fairly inelastic supply and demand, any large speculative deviation from the ''fundamental'' price should show up in a noticeable increase in inventories.'' (Paul Krugman, New York Times columnist, 6/28/08)

International Energy Agency: ''There is little evidence that large investment flows into the futures market are causing an imbalance between supply and demand, and are therefore contributing to high oil prices . . . Blaming speculation is an easy solution which avoids taking the necessary steps to improve supply-side access and investment or to implement measures to improve energy efficiency.'' (International Energy Agency, Medium-Term Oil Market Report, July 2008)

Daniel Yergin, Chairman of Cambridge Energy Research Associates: ''When an issue is this hot, it would be so much easier if there was a single reason to blame . . . But calling it speculation is way too simplistic.'' (Daniel Yergin, Chairman, Cambridge Energy Research Associates)

John Chapman, American Enterprise Institute: ''The truth is that increased speculation in oil futures is not a cause of rising oil prices, but rather an effect of those prices, which have skyrocketed due to growth in global demand, geopolitical instability, and constricted supply in several producing countries. (John Chapman, Researcher at the American Enterprise Institute, 7/16/08)

The ACTING PRESIDENT pro tempore. The Senator from Georgia is recognized.

Mr. CHAMBLISS. Mr. President, I thank my colleague from Oklahoma for yielding me part of his time. He certainly makes a very convincing case.

I rise to discuss the actions taken today by the Commodity Futures Trading Commission to combat manipulation in the futures market specifically relating to energy activity. At 11 o'clock this morning, the Acting Chairman of the Commodity Futures Trading Commission at a news conference announced that it was bringing an action against a hedge fund for manipulating and attempting to manipulate the crude oil, heating oil, and gasoline markets.

This proves that the CFTC is policing the market for suspicious activity. They are not sitting back and allowing traders to run wild, as some in Congress have suggested.

While this particular case is specific to manipulation, it only makes sense that the surveillance efforts used to identify this activity are also providing much needed additional data to the Commissioners for ongoing monitoring efforts to detect excessive speculation—the subject of much debate on the Senate floor. Unfortunately, some have even confused these two terms. I want to clarify this. Manipulation is illegal, while speculation is a normal occurrence in all of our futures markets. That said, the Commission has recognized that more information is necessary to ensure that speculation has not become excessive. I happen to agree with them. We do need more information in order to make an accurate assessment of the situation.

There have been many assertions made in the Senate not based on factual information. It is never a good idea to propose a solution for market conditions without carefully analyzing all of the facts. An uninformed solution, no matter how well-intentioned it is, can easily result in unintended counterproductive outcomes.

Many in this body have accused CFTC of timidly utilizing their regulatory enforcement authorities or only utilizing these authorities after extreme prompting from Congress. To the contrary, this particular civil enforcement action that was filed today in the U.S. District Court for the Southern District of New York was uncovered as part of an investigation initiated by the CFTC for offenses that took place in March 2007—long before some began blaming CFTC for the $4 gasoline.

Working proactively with the New York Mercantile Exchange, or NYMEX, the CFTC was able to uncover wrongdoing and ensure that violators of the Commodity Exchange Act are identified and brought to justice.

This particular case took place over an 11-day period. The New York Mercantile Exchange—as they have the authority to do and the information to carry out that authority—saw exactly what was happening in the early part of what was happening, and they followed it and immediately shut this hedge fund operator down. So this 11-day period in March 2007 occurred over a year ago. The ongoing investigation has taken a year to get it to where it is ready for prosecution.

Fortunately, the CFTC has been able to fulfill its regulatory oversight responsibilities in spite of being horribly underfunded. Today's announcement affirms the dedication and hard work exhibited by the CFTC.

Furthermore, we should not continue to hold up the confirmation of those—both Democrat and Republican—whom the President has nominated to carry out this very important regulatory task. The American people would be much better served with a fully seated Commission, a Senate-confirmed Chairman, and more regulatory oversight staff than by the baseless allegations made by some. If we are truly interested in a fully functioning regulatory body, let's provide the agency with these tools rather than wrongly condemning them for lack of enforcement.

I will close by simply saying that during the process of the passage of the recent farm bill, which passed overwhelmingly in this body, we took action relative to market regulation by closing the so-called Enron loophole, which allowed for some sales on the market to take place without the ability on the part of the regulators to get all of the information relative to those particular trades. In addition to allowing the market regulators to get the information, we also increased the penalty for a manipulation—just like the CFTC has filed this suit on today—from $100,000 per incident to $1 million per incident.

So we are in the process of giving the CFTC the tools it needs. We need to continue down that road. Let's don't destroy the markets. Here we are seeing a good example of how the tools in the hands of the regulators are being used in the appropriate way. When someone tries to take advantage of a system, the CFTC, as well as NYMEX, CME—all of the boards of trade—has the ability to stop this type of manipulation and prosecute wrongdoing.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, for the last 36 hours now, we in the Senate have been attempting to move forward on substantive policy that would produce more oil and bring it into our systems to offset and, hopefully, lower the price our consumers are paying at the pump. But nothing has happened. It is interesting, the majority leader says we don't have time to do it, and yet we have been here 36 hours doing nothing but talking when amendments could have been offered that might have been substantive as it relates to taking down the Federal moratorium that exists over many of these properties where we know there are known oil reserves.

I find it fascinating that this morning in the Wall Street Journal, an editorial speaks about Speaker PELOSI of the House and HARRY REID, our majority leader, and other liberal leaders on Capitol Hill being ''gripped by cold-sweat terror. If they permit a vote on offshore drilling, they know they will lose when Blue Dogs [Democrats that are more conservative over in the House] and oil-patch Democrats defect to the [Republican] position of increasing domestic energy production.''

What would be wrong with that? It would be an admission on the part of Democratic leaders that their position of the last 20 years to deny increased production, all in the name of environment and conservation, hasn't worked. They simply cannot let that dirty little secret out. Except there is one real problem: The American people are beginning to figure out that it didn't work. Why have we gone from 30 percent dependency in 1980 to 70 percent dependency today on someone other than a U.S. producer, something other than a U.S. reserve? The reason is because we quit producing.

The debate today, while it is embodied in S. 3268, called a speculation bill, is really about production. Republicans have simply said: Allow us to